weekly economic review
November 23, 2012

Provincial Economic Accounts

Exports boost real GDP growth in 2011

In 2011, Alberta's real GDP growth led all provinces at 5.1%, the province's largest expansion since 2006. Net exports contributed the most to growth in 2011, with exports (+9.2%) increasing at a much faster rate than imports (+2.8%). An 11.4% gain in non-residential business investment was also an important factor in Alberta's impressive GDP growth. Strong growth in wages and salaries helped to support household consumption, which increased 3.4%. Subtracting from growth was government and residential investment. Government investment declined by 5.3% partly due to the winding down of the federal stimulus program, while residential investment declined by 5.2%, as relatively high inventories and poor weather conditions in early 2011 weighed on housing starts.

Accompanying the release of the 2011 Provincial Economic Accounts were revisions to GDP for 2007-2010. Real GDP growth in 2010 was revised higher, from 3.3% to 4.0%. while 2009 real GDP growth was also revised up slightly, from -4.5% to -4.4%.

Consumer Price Index (CPI)

Alberta inflation rate hits 6 month low on sharply lower electricity prices

Alberta remains in a period of low inflation. The province's annual CPI inflation rate fell from 1.4% in September to 0.6% in October, the lowest rate in six months and the second lowest reading of all provinces. A sharp decline in energy prices, particularly for electricity (-16.1% year-over-year), was mainly responsible for the softer headline rate. However, even with energy prices stripped out of the CPI basket, the inflation rate was a tepid 1.2%. Alberta's inflation rate has been below 1.5% since April.

Nationally, CPI inflation remained unchanged in October at 1.2%, well below the Bank of Canada's 2% inflation target.

Retail Sales

Alberta's consumers lead the country in spending

Alberta's retail sales growth in September was the highest in the country. Sales were up 1.7% to a record $5.9 billion, and up 8.5% over September 2011. Growth was driven by higher sales of vehicles, furniture, and clothing and shoes. Year to date, sales are up 8.9%, nearly triple the national average.

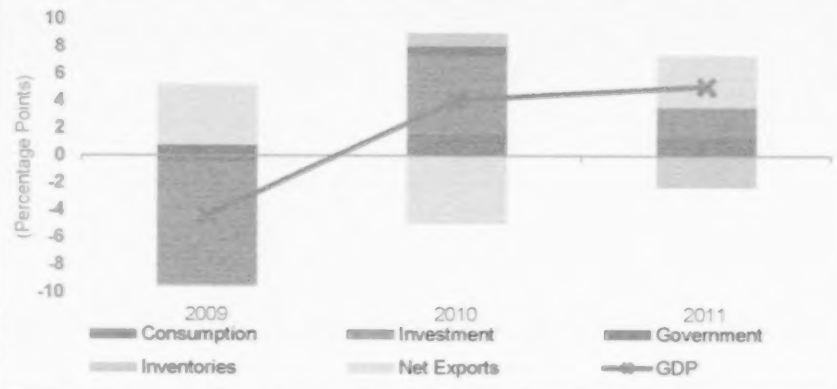
For Canada as a whole, sales edged up just 0.1% (m/m) in September as higher vehicle sales partly offset declines in other industries such as department stores and gasoline stations.

Job Vacancies

Help wanted in Alberta

The province's job vacancy rate averaged 3.3% between June and August. The job vacancy rate is defined as the number of vacant jobs as a percentage of labour demand (vacant jobs plus filled jobs). Alberta's vacancy rate is almost double the national rate (1.8%) and the highest in the country. The mining and quarrying, and oil and gas extraction industries continue to have the highest vacancy rate in Canada.

Contribution to Alberta Real GDP Growth



Source: Statistics Canada

Closing Prices	November 15, 2012	November 21, 2012	2012–13 Fiscal YTD
Canadian Dollar (US$/$CAN)	99.75	100.20	99.96
WTI Oil ($US/bbl)	$85.45	$87.38	$91.74
NYMEX Natural Gas ($US/MMBtu)	$3.70	$3.90	$2.82

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	May	Jun	Jul	Aug	Sep	Oct
Population[2] (000's)	3,724	3,778	3,874			3,874			
% change	1.4	1.5	2.5			2.5			
Net Interprovincial Migration[2] (pers)	-3,271	8,441	28,170			6,544			
Net International Migration[2] (pers)	24,100	16,103	37,990			14,546			
Net Non-permanent Residents[2] (pers)	14	-7,604	9,721			5,443			
Labour Market									
Employment (000's, SA)	2,017	2,094	2,146	2,153	2,144	2,150	2,164	2,156	2,161
% change	0.4	3.8	2.8	4.1	2.7	2.3	2.1	1.9	1.7
Unemployment Rate (%, SA)	6.5	5.4	4.7	4.5	4.6	4.6	4.4	4.4	4.5
Participation Rate (%, SA)	72.9	73.7	73.5	73.7	73.2	73.3	73.2	73.1	73.1
Average Weekly Earnings ($, SA)	993.28	1,038.69	1,065.06	1,055.07	1,068.06	1,068.90	1,064.06		
% change	4.6	4.6	3.1	1.8	2.9	5.5	3.2		
Price Indices									
NEW: Consumer Price Index	1.6	2.4	1.3	0.4	1.3	0.9	1.0	1.4	0.6
Excluding food and energy	0.8	0.8	1.4	1.5	1.6	1.4	1.4	1.1	1.2
Non-Res. Building Const. Price Index[2]	0.1	3.4	4.1		4.1			3.5	
Farm Product Price Index	1.8	17.4	5.3	7.1	8				
Crops	9.6	18.0	2.1	1.2	1.4				
Livestock	5.7	16.8	0.6	0	12.8				
Household Sector									
Housing Starts (CMHC, 000's)	27.1	25.7	33.0	33.7	33.9	33.3	34.2	32.5	33.1
% change	33.5	5.1	33.5	30.5	49.5	31.5	6.6	35.6	0.3
New Housing Price Index*	0.5	0.4	1.1	1.0	1.2	1.5	1.6	1.6	
Edmonton	0.8	0.9	0.9	1.1	0.8	0.8	0.9	1.3	
Calgary	1.7	-0.1	1.3	0.8	1.7	2.3	2.4	2.1	1.7
MLS Average Resale Prices ($,000's)	350.9	352.7	361.8	365.5	360.5	362.1	363.9	361.8	363.2
% change	3.1	0.5	2.1	3.9	2.7	3.2	3.6	0.7	4.8
Edmonton ($,000's)	326.5	324.2	331.8	333.7	330.2	331.8	334.0	334.2	334.2
% change	2.3	0.7	2.3	4.0	3.7	1.2	2.9	2.3	2.1
Calgary ($,000's)	397.4	401.9	408.4	413.3	410.3	411.5	410.9	410.2	423.5
% change	3.4	1.1	1.3	2.4	2.5	2.1	1.8	0.0	6.5
NEW: Retail Sales, SA	6.0	6.9	5.9	8.6	7.3	9.6	8.5	8.5	
NEW: New Motor Vehicle Sales	9.6	9.6	12.8	20.6	5.8	10.6	9.3	16.2	
Consumer Bankruptcies (level)	6,150	7,009	4,083	515	481	480	454		
% change	-18.4	-13.9	-17.2	-16.5	-25.4	-24.4	-23.7		
Business Sector									
Rigs Drilling (level)	207	286	246	89	139	136	323	239	236
% change	66.1	38.4	-11.0	4.5	37.0	47.5	93.9	33.7	29.6
Goods Exports (customs basis)	12.6	18.5	4.1	1.4	1.1	0.6	8.8	-9.0	
Energy	17.1	19.4	5.4	1.9	1.3	3.3	11.0	8.3	
Farm, Fishing and Intermediate Food	-15.9	37.2	15.7	10.2	11.5	-10.9	21.5	19.1	
Total Farm Cash Receipts (quarterly)	-3.7	16.3	29.3						
Manufacturing Shipments, SA	11.3	18.0	8.8	9.8	4.8	6.7	6.8	1.9	
NEW: Wholesale Trade, SA	8.5	15.0	13.6	17.0	10.7	12.6	9.7	7.4	
Building Permits, SA	1.2	11.8	12.3	20.2	10.2	9.1	11.0	0.4	
Residential	22.4	5.2	18.5	27.0	14.6	1.2	30.2	7.2	
Non-residential	-18.3	20.9	4.9	12.2	11.5	-15.8	-10.4	9.2	
Business Bankruptcies (level)	378	264	160	28	22	16	10		
% change	-6.7	-30.2	-8.0	27.3	37.5	6.7	61.5		

YTD (year - to - date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.

[1] Unless otherwise indicated, all figures are year-over-year percentage change and not seasonally adjusted.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

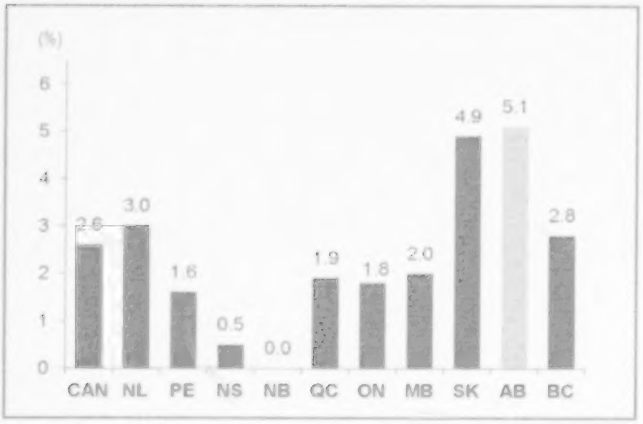
[*] Quarterly, average of Calgary and Edmonton.

[†] Average of Calgary and Edmonton.

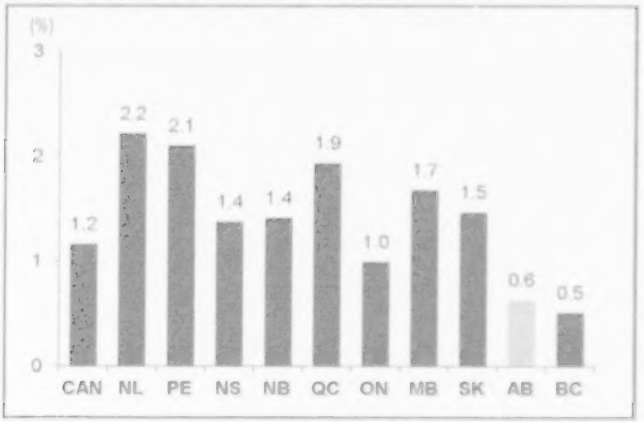
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

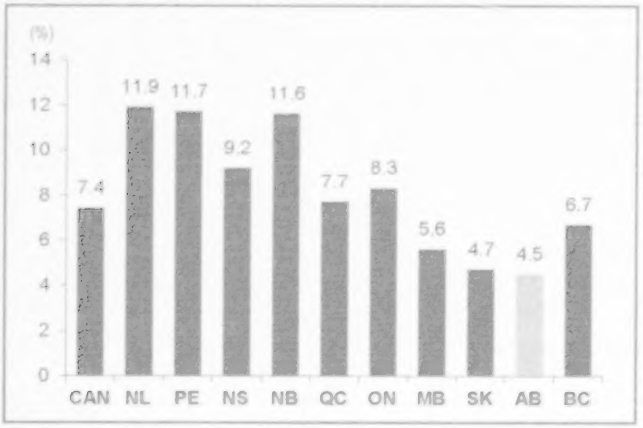
Real GDP Growth by Expenditure
(2011, year-over-year growth)



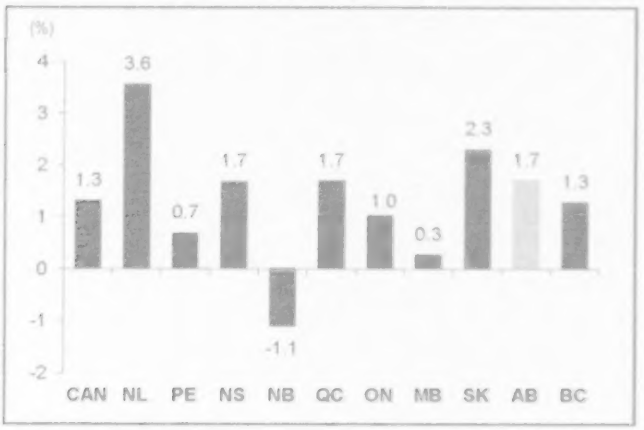
CPI Inflation
(October 2012, year-over-year growth in CPI)



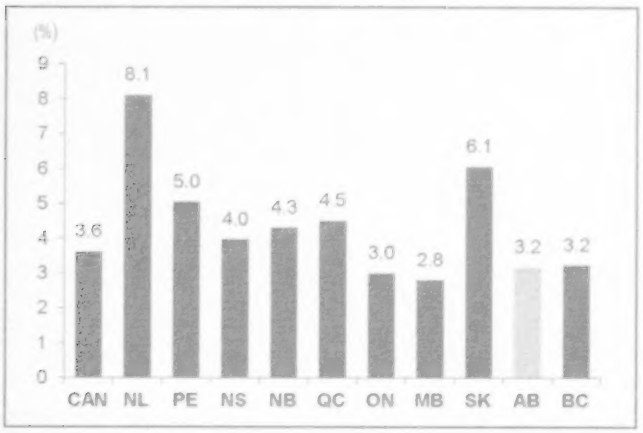
Unemployment Rate
(October 2012)



Employment
(October 2012, year-over-year growth)



Average Weekly Earnings
(August 2012, year-over-year growth)



Housing Starts
(October 2012, SAAR, year-over-year growth)